

**USAID/SOUTH AFRICA**  
**DEMOCRACY & GOVERNANCE TEAM (SO1)**  
**CIVIL SOCIETY STRENGTHENING PROGRAM**  
**RESULTS PACKAGE**

**April 2000**

## USAID ACRONYSMS

AC	Acquisition-contract
AS	Assistance-grant
CSSP	Civil Society Strengthening Program
CSO	Civil Society Organization-defined as including NGOs and CBOs
CBO	Community Based Organization
CSU	Civil Society Unit-Division within USAID responsible for CSSP Implementation
CREA	Creative Associates-Organization which manages the Grants Management Technical Assistance (GMTA) for USAID.
FY	Fiscal Year (i.e. FY00 is fiscal year 2000)
IR	Intermediate Result-Development Goals
LLR	Lower Level Result-Development Objective
MOU	Memorandum of Understanding
NGO	Non Governmental Organization
OD	Organizational Development
PIA	Program Implementation Agent
PRG	Program Reference Group
RCO	Regional Contracts Office-Division within USAID responsible for contracts.
RFA/P	Request for Application (for a grant)/Proposal (for a contract)
RP	Results Package- Program Description
SO1	Strategic Objective 1-Democracy & Governance Divison
SOW	Scope of Work
USAID	U.S. Agency for International Development

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## EXECUTIVE SUMMARY

The USAID South Africa Democracy and Governance Team (SO1) has developed this planning document as a tool to meet certain statutory, regulatory, and agency pre-obligation requirements for a civil society strengthening program. As such, SO1 is the principal user of this document. The document provides the basis for approval, by the Team Leader, of an eight-year, approximately \$9 million civil society strengthening activity. Based on this approval, USAID will proceed with funds obligation and sub-obligation for activity implementation. This planning document is based upon extensive consultation with government and civil society stakeholders, and detailed analyses conducted by a team of one U.S. and four South African experts.

The program supports a healthy and vibrant civil society through strengthened civil society/government partnerships for service delivery and policy implementation. SO1 is interested in funding this program because a healthy and vibrant civil society is an important element of consolidated democracies.

The program complements RSA efforts to support civil society as demonstrated by various initiatives. For example, the RSA recently established the National Development Agency (NDA) to grant funds to civil society organizations (CSOs) for carrying out projects and programs aimed at meeting development needs of poor communities and to strengthen CSO involvement in service provision to poor communities. Similarly, the government has made important strides in establishing an enabling legal and regulatory framework for CSO development, including the Non-Profit Organizations (NPO) Act, the National Lotteries Act, and amendments to the Income Tax Act, all of which offer financial and tax benefits for CSOs. In addition, various government Departments, including Welfare and Public Works, work closely with CSOs in carrying out their mandates of alleviating poverty and extending services.

The result to which this program contributes is strengthened partnerships between CSOs and Government to jointly address policy development and effective service delivery. This will be achieved when there is a more informed dialogue and common understanding between the CSO sector and the government about roles, relationships and expectations in partnerships, and when there is a stronger infrastructure and enabling environment to support effective strategic partnerships. The program will provide assistance in support of three lower-level results, namely: CSO-government capacity for partnering improved; access to better information increased; and enabling environment for partnerships enhanced.

This program marks a significant shift in SO1's support for civil society, away from funding for a limited number of individual CSO programs, and towards a more integrated sector strengthening approach. While SO1 carried out the former through a variety of independent and stand-alone grants supporting the disparate objectives of many different NGO programs, the latter requires the package of overarching sector-strengthening activities described herein. This planning document includes eight illustrative activities to achieve the lower level results and IR, including:

- Institutional support to the NDA, to strengthen its ability to carry out its mandates;
- strengthening the organizational development capacity of the sector;
- support joint CSO/government pilot efforts in policy development and monitoring;
- development of an index measuring the health of South African civil society;
- research about the sector, its role in partnerships, and its role in the broader processes of economic and democratic development;
- Institutional support to the Department of Welfare to implement the NPO Act;
- dissemination of information required by government and CSOs to facilitate partnerships;
- policy analysis and dialogue to inform the development and implementation of an emerging legislative framework which enables partnerships.

This broad-ranging set of activities is purposeful, and is driven by the heterogeneous nature of the civil society sector. Through a highly participatory and consultative design process, a large and diverse group of CSOs identified these activities and concurred that they, among others, were both mutually reinforcing and critically important to strengthen the CSO sector.

The implementation of this program represents a significant shift from past implementation modalities employed by SO1. In the past SO1 took charge of (1) overall program planning, budgeting, reporting and management, (2) activity design, solicitation, award, and award administration; and (3) technical oversight of activity implementation. With this program, SO1 will retain overall program planning, reporting, and management functions but will outsource much of the activity design, solicitation, award, administration, and technical oversight work to Creative Associates (CREA) through its Grants Management and Technical Assistance contract with USAID. SO1 will request that CREA carry out the technical design and oversight of activities through a project implementation agent (PIA).

The PIA will also assist SO1 to establish and engage with a Program Reference Group (PRG) of civil society leaders, to serve as an intellectual partner in program implementation. The CSU, in collaboration with the PIA and PRG, will develop a simple performance monitoring system to gauge the impact of program activities on results achievement. SO1 believes the PIA is required to bring technical leadership and cohesion to a program that could become increasingly diffuse because of the heterogeneous and diverse nature of civil society and of this program.

The implementation modality summarized above will occur at least through the life of the CREA contract. Given the budget structure and slower-than-anticipated expenditure rate of this contract, at this point in the planning process SO1 anticipates requesting (1) a budget realignment to shift some funds from grants to technical assistance; and (2) a 12 to 24 month extension. Program implementation is therefore divided into two phases – Phase One, which will make maximum use of the CREA GMTA contract through its life, and a post-CREA Phase Two, to be defined approximately 12 to 18 months prior to the end date of the CREA contract. This decision will be driven, inter alia, by the nature of the work required to bring the program to a successful conclusion in its final four years; funds available for the remaining life of the program; the number of management units funded under the program for the final four years; and Africa Bureau and Mission policy regarding internal staff levels.

## **I. INTRODUCTION**

The USAID South Africa Democracy and Governance Team (SO1) has developed this planning document as a tool to meet certain statutory, regulatory, and agency pre-obligation requirements for a civil society strengthening program. As such, SO1 is the principal user of this document. The document provides the basis for approval, by the team leader, of an eight-year, approximately \$9 million civil society strengthening activity. Based on this approval, USAID will proceed with funds obligation and sub-obligation for activity implementation. This planning document is based upon extensive consultation with government and civil society stakeholders, and detailed written analyses conducted by a team of U.S. and South African experts.

## **II. STATEMENT OF THE CHALLENGE**

This program supports South African efforts to address the need for a full and sustainable transition of civil society from struggle against an illegitimate government to increasing collaboration with a legitimate democratic government to achieve a shared developmental vision<sup>1</sup>. USAID is interested in supporting these efforts because a healthy and robust civil society is a critical element of the consolidation of South Africa's emerging democracy, a strategic objective supported by USAID in South Africa.

## **III. PROGRAM RATIONALE**

The importance of Civil Society Organizations <sup>2</sup>(CSOs) to building and consolidating democracy is generally accepted. The more active, pluralistic, resourceful, institutionalized and democratic civil society is and the more effectively it balances its independence with its productive engagement with the state, the more likely it is that democracy will be consolidated.<sup>3</sup>

However, within the context of South Africa's complex transition from an authoritarian socio-political system to a social democratic one, it is more difficult to define the precise relationship

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<sup>1</sup> This theme of the challenge faced by civil society as being the transition from civil society in a "struggle" mode to civil society in a "partnership" mode was consistently highlighted by CSO representatives through the consultative processes held for the design of this program and was documented in design analysis. See in particular: JThomas and EPieterse, Consolidated Democracy through Fostering Strategic and Sustainable Partnerships, November 1999; report for USAID; EPieterse, "Draft Issues Paper for Joint Program Assessment", March 1999; Notes on Government-CSO Partnerships & Considerations for CSO Support; E. Pieterse; and Bench, B. & Lipietz, B.(undated): "Structuring effective development-oriented interactions between the State and civil society organizations in South Africa: A comparative analysis of mechanisms in place. Report commissioned by Gill Marcus, then Deputy Minister of Finance, compiled by TNDT; and LFox, The Appropriateness of Establishing an Endowment to Support South African Civil Society", April 1998, (see particularly annex 7 on Interview Notes with civil society leaders).

<sup>2</sup> Although the term "civil society organization" is normally defined to include a broad range of organizations such as labor unions, religious groups etc., for purposes of this program civil society organizations (CSOs) will be used in reference to a sub-set of Civil Society i.e. non-governmental organizations (NGOs) and Community based organizations (CBOs).

<sup>3</sup> Adapted from: Diamond, L. 1994. "Rethinking Civil Society: Towards Democratic Consolidation", in Journal of Democracy, Vol.5(3):4-17.

between strengthening CSOs and democratic consolidation. With South Africa's history of a dominant state, it was essential to have as counter to the apartheid government a robust and vibrant civil society. Indeed, it is due in no small measure to the efforts of South Africa's civil society sector that the apartheid government was rejected and a new democratic era was born. However, with the advent of a democratically elected government, it has been increasingly difficult for many socially and politically engaged CSOs to redefine their identity and roles within a legitimate, constitutional democracy. Symptoms of this problem in civil society, as identified through extensive consultation and literature review, include:

- CSOs are weakened by an overemphasis on hierarchical umbrella structures that undermine local initiative, and debilitate community-based organizations;
- CSOs lack adequate and sustainable resources and are battling to reposition themselves and strike appropriate balances between advocacy and service delivery roles;
- the progressive 'enabling environment' to promote civil society activism in service delivery and policy development is not being developed to its full potential because of: a) resource and capacity constraints; and b) inadequate collaboration between government and CSOs;
- incomplete agreement between government and CSOs on appropriate means and measures of effective policy implementation;
- the weakness in the CSO development sector amongst CBOs and NGOs is exacerbated by the weak inter-relationship between them and the lack of insights about good practice to inform the structuring of mutually beneficial relationships, based on the distinctive strengths and roles of each category of organizations.

On the side of government, the development landscape is broadly characterized by the challenge to achieve effective service delivery and this stems from a host of inter-related reasons, including, inter alia:

- human capacity constraints in the public service;
- limited financial resources in a context of fiscal contraction;
- sub-optimal co-ordination and integration between different sectors such as health, education, welfare, infrastructure development, etc.; and
- limited partnership relationships with CSOs and the private sector towards participatory development interventions. Apropos to the last point, one must acknowledge that there is an increasing emphasis on service delivery partnerships across government departments, but often these are not working very effectively and are plagued by difficulties on both sides of the relationship.

Despite these constraints, great potential exists in South Africa for CSO-government-private sector partnerships to work towards achievement of a shared developmental agenda<sup>4</sup>. Such partnerships bode well for strengthening the health of the CSO sector, enriching and accelerating the achievement of development objectives, extending the capacity and reach of government agencies, and ultimately

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<sup>4</sup> See footnote number 1.

solidifying democratic consolidation. USAID can assist to unlock resources and potential for these partnerships. Some examples of these opportunities include:

- Between the three spheres of government, hundreds of millions of rands are available for public investment in social welfare and community development. National departments, such as Welfare and Public Works, explicitly consider CSOs as potential delivery partners in their investment plans. The extent to which CSOs can access these funds and contribute their comparative advantage to these investments bodes well for partnerships and ultimately the health of the CSO sector.
- The South African government openly recognizes the value of CSOs in democratic development and poverty alleviation. The Constitution and Bill of Rights creates significant spaces for citizen participation in public affairs and CSOs are well-placed for facilitation of state-citizen engagement around development issues. An emerging and complementary legal framework creates potential tax and funding benefits for the CSO sector.
- Since 1994, a growing number of experiences in CSO-government partnerships has emerged. While these occur in relative isolation, taken together they offer important potential for learning related to establishing partnerships, the conditions under which partnerships are most appropriate and effective, and the skills and abilities required to maximize the potential of partnerships. An opportunity exists to systematically gather, catalogue and disseminate this information to CSOs, donors, government and the public. This will reduce the transaction, information, and learning costs associated with establishing partnerships.

The Civil Society Strengthening Program seeks to address the critical dimensions of the problem of unfulfilled synergy between the government and civil society organizations. By doing so, it will maximize opportunities for CSO-government partnerships, contribute to a healthier civil society, and ultimately democratic consolidation in the RSA.

#### **IV. GOVERNMENT AND OTHER DONOR SUPPORT**

There is a range of government organizations, donors and foundations with programs to strengthen civil society, including facilitating CSOs' ability to partner with government for better service delivery and policy implementation. A brief description follows.

The primary theme of the **Mbeki Presidency** is rapid service delivery to the millions of South Africans who continue to live without basic necessities and amenities. Consequently the over riding policy theme of the government has more clearly become poverty eradication. A number of government programs are aimed at poverty reduction and in almost every instance these departments are seeking effective ways of partnering with civil society organizations, including strong NGOs and community-level organizations. The government is pursuing development of a legislative framework which will, inter alia, strengthen CSOs' ability to partner with government for service delivery and policy implementation. The major pieces of legislation making up this framework are the Non-Profit Organizations Act; amendments to the Income Tax Act; and the National Lotteries Act. All three offer financial and tax benefits for civil society organizations.



The **Department of Welfare** is taking the lead in implementing the NPO Act and specifically in establishing an administrative and regulatory framework for CSOs; informing CSOs of the Act; encouraging CSOs to maintain adequate standards of governance, transparency and accountability and to continuously improve such standards; facilitating access to information about registered non-profits; and promoting a spirit of cooperation and shared responsibility amongst government, donors and other interested parties in their dealings with the CSO sector. The DoW has established an NGO Directorate which has begun a variety of initiatives in support of implementation of the Act, including: establishment of a register of nonprofit organizations; an information dissemination drive regarding the register; development of support tools in the form of model documents; and examples of good practice to assist CSO (with emphasis on CBOs) in formalizing themselves. In addition to its work implementing the NPO Act, the DoW has its own resources to fund social services and CSOs offer a strong potential partners for this work. The DoW however, has experienced capacity problems in fully utilizing its budget.

**The Department of Public Works** is implementing a national public works program aimed at short-term job creation, skills transfer and infrastructure development. This program is explicitly designed to work in partnership with community-based organizations, and specifically build on CSO comparative advantage in social facilitation and community development. However, in implementing this program, the Department has found that CSO and local government capacity constraints hinder successful implementation of these projects. In spite of these problems, the program remains an important entry point for CSO-government partnerships.

**The Transitional National Development Trust (TNDDT)** was established in January 1996 as an initiative of the government and non-government organizations. It is an interim development and finance agency which works as part of the national development strategy towards the alleviation of poverty and its causes. It does this by supporting organizations of civil society in their efforts to promote sustainable, people-centered development. The TNDDT's Board of Trustees is made up of representatives from the CBO Network, government, the IDT, NEDLAC, Kagiso Trust and the South African NGO Coalition. Since its inception, the government and the European Union have channeled approximately R170 million to the TNDDT. The TNDDT has funded over 400 projects to CSOs engaged in poverty alleviation activities related to education and training, economic development, health, and rural development. The responsibilities of the TNDDT were recently transferred permanently to the National Development Agency (NDA). The TNDDT has and will continue to assist the NDA implementation process.

**The National Development Agency**, established by statute in 1998, has as its objectives to contribute towards the eradication of poverty and its causes. The NDA will grant funds to civil society organizations for the purposes of carrying out projects and programs aimed at meeting development needs of poor communities and strengthening the institutional capacity of other civil society organizations involved in direct service provision to poor communities. The secondary objectives of the NDA are to promote consultation, dialogue and sharing of development experience between civil society organizations and relevant organizations of the state and debate on development policy; and to undertake research and publication aimed at providing the basis for development policy. The NDA's financial base will be comprised of an endowment by the government's

Independent Development Trust (IDT), a contribution from the national lottery, a large grant by the European Union, and funds from the national fiscus at approximately R210 million over three years.

The core tasks of the NDA are: a) to initiate and manage special projects dealing with poverty alleviation; b) to manage a multi-year grant making function directed at supporting NGOs and CBOs; c) to build CSO capacity with a view of improving their ability to be effective in poverty alleviation activities; d) to strengthen the capacity of intermediary grant-making organizations; e) to develop a policy framework with government departments; and f) to develop a monitoring and evaluation framework for NDA supported projects and its broader policy objectives.

In terms of other donors and foundations, the **European Union** is about to launch a R90 million program, to be implemented by Interfund to conduct capacity building in the CSO sector in order to enhance the capability of organizations to become more self-reliant. **The Ford Foundation's** grant making program has focussed on building the infrastructure for a robust civil society. The activities include support for research on provincial and local governments; the establishment of community foundations and innovative poverty alleviation programs; and training in budget analysis for governments, universities, and NGOs. **The Mott Foundation** grant making program seeks to strengthen the nonprofit sector by building local resources for the sector, encouraging a supportive legal environment, raising awareness of the sector, building organizational effectiveness and supporting women's leadership within the sector. It has supported the Non-Profit Partnership (NPP) for refining the South African tax legislation in favor of not-for-profit organizations. **The W.K. Kellogg Foundation** grant making program promotes the partnering with community-based organizations and institutions and helping them link with government and other services delivery institutions. In 1998, 25 grants were made totaling over \$3.6 million. **The Open Society Foundation for South Africa** was established in 1993 to promote a variety of programs in the areas of educational, social, legal and health care reform. The foundation's 1997 expenditures totaled approximately \$8.6 million. Current annual expenditures remain at a similar level and focus on NGOs/CBOs working in the Northern Province and the Eastern Cape.

To a large degree, the current forms of donor support for the CSO sector focus on a diverse nature of development programs and supports specific organizations. This approach tends to be piecemeal and not systemic. The CSSP has taken an explicit and intentional sector-wide approach, engaging representatives from across the sector in defining the constraints and opportunities to the transformation of civil society as well as a set of actionable interventions aimed at addressing these constraints and opportunities. The CSSP program takes a systemic, innovative, and comprehensive approach to optimizing state-civil society partnerships, a healthy and vibrant civil society, and democratic consolidation.

## **V. DESCRIPTION OF THE PROGRAM**

### **A. Summary of USAID's Democracy and Governance Program**

Strategically and over the longer term, USAID's Democracy and Governance program aims to support South African efforts to consolidate its emerging democracy. As such, USAID's Strategic

Objective in the D/G area is “Democratic Consolidation Advanced.” Because a strong implicit social contract between an effective state and a democratic citizenry is a hallmark of consolidated democracies, USAID concentrates its limited resources on strengthening this contract in three highly focussed areas i.e. criminal justice, local governance and civil society/government partnerships. Besides being vital to consolidation, these three areas are high priorities of the South African government and public.

First, USAID has and continues to work with the Department of Justice and other stakeholders to strengthen the rule of law, with increasing emphasis on developing a stronger criminal justice system. Crime is a clear threat to the social contract and the capacity of the state to effectively address it is a high priority of all sectors of South African society. Second, USAID works with the Department of Provincial Affairs and Local Government and local government stakeholders to enable effective and democratic engagement of state and citizens, and hence the social contract, around key governance processes of planning, raising revenue, service delivery, and transparency.

Third, USAID, through this civil society support program, endeavors to strengthen partnerships between government and civil society organizations as a means of strengthening service delivery and policy development, and strengthening civil society as a legitimate, independent developmental agent in a democratic society. As such, this program will contribute to a strong, vibrant, and plural civil society, which enters into sustainable strategic partnerships with a government fully capable of engaging the CSO sector constructively to achieve common goals.

USAID recognizes that achievement of the very ambitious result of this program is attributable not only to USAID’s investment, but to the actions and investments of a much broader group of stakeholders from government, civil society, private sector, as well as other donors, etc. In making this investment, one of USAID’s critical assumptions is that there is a high level of commitment of these stakeholders to supporting a robust and healthy civil society and that Government institutions see it within their interest to form collaborative ventures with CSOs to improve service delivery and to deepen a democratic culture.

## **B. Development Result**

The development result which this program seeks to support is strengthened partnerships between CSOs and Government to jointly address policy development and effective service delivery. This will be achieved when there is a more informed dialogue and common understanding between the CSO sector and the government about roles, relationships and expectations in partnerships, and when there is a stronger infrastructure and enabling environment to support effective strategic partnerships.

The program will provide assistance in support of three lower-level results, namely:

- CSO-government capacity for partnering strengthened,
- access to better information increased,
- enabling environment for partnerships enhanced.

It is recognized that achievements of these inter-related objectives alone will not necessarily lead directly and predictably to achievement of more sustainable strategic partnerships between government and CSOs. However, there is strong evidence<sup>5</sup> of a recognized need for such partnerships by both parties. This program will lay a basis for greater effectiveness in making partnerships for effective service delivery and policy development more viable.

### **C. Program Elements and Illustrative Activities**

Before presenting the program elements and illustrative activities below, several introductory comments related to causality and activity sequencing are called for. First, this program attempts a very challenging undertaking, e.g. the provision of development aid to strengthen the civil society sector, which by its very nature is highly heterogeneous, loosely structured, and disparate. There is at present a very lively, rich, and extremely nascent body of literature and academic work focused on civil society, determinants of its health, methods for measuring it, etc. This work is very much in-progress and is more about framing initial research questions than providing answers or plausible theories about what causes a healthy civil society. It is therefore very difficult to present a plausible cause and effect development hypothesis with any strong degree of certainty.

Despite this lack of a social science rigor however, at this point in the planning process SO1 is confident that the set of lower level results (LLR) and illustrative activities presented below is the most appropriate for achievement of the development result. While this judgement is not based on hard empirical research, it is based on the very extensive and thorough civil society consultations conducted as part of the planning process. A representative sample of about fifty CSOs engaged each other and international and South African experts, through a structured and professionally facilitated process, to assess constraints to a stronger sector and to identify interventions likely to overcome these constraints.

Despite their different backgrounds, institutional objectives, client groups, and geographical distinctions, these CSOs were able to reach consensus on key bottlenecks to the further development of the sector and what a donor like USAID should do about them. The partners consulted concurred on three broad and very important areas for sector strengthening, namely capacity building, access to better information, and a stronger enabling and policy environment. Similarly, partners recommended an extensive list of illustrative activities for this program. With the help of a highly qualified design team and through its own analysis, SO1 has synthesized and reduced this list into the set of LLRs and activities presented herein. SO1 believes the diverse and broad set of activities described below are necessary to strengthen government-CSO partnerships and ultimately the health of civil society.

Because of the dynamic nature of civil society and the emerging learning about critical determinants of a strong civil society, other interventions and opportunities which support achievement of CSSP

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<sup>5</sup> See: Notes on Government-CSO Partnerships & Considerations for CSO Support; E. Pieterse; and Bench, B. & Lipietz, B.(undated): "Structuring effective development-oriented interactions between the State and civil society organizations in South Africa: A comparative analysis of mechanisms in place. Report commissioned by Gill Marcus, then Deputy Minister of Finance, compiled by TNDT.

objectives will arise during the course of implementation. As they do, SO1 will take advantage of the opportunities provided by Agency guidance to select and approve activities which may not be included below. These activities will not exceed the funding amount approved for this program.

In selecting and sequencing the illustrative activities described below, SO1 and the consultant team assessed their respective costs versus benefit and relative potential impact on the health of the sector; the extent to which they were considered a priority by the CSOs consulted; their level of readiness for start-up, and the amount of additional work required to define and scope the activities. Additionally, a major consideration driving sequencing of activities was funds availability. For example, given that funds in the first two years are limited, SO1 anticipates waiting on start-up of a \$2 million organizational development and capacity building activity until FY02.

#### **LLR.1.3.1. CSO-Government capacity for partnering improved**

The rationale for the first program element is that for there to be a successful and sustainable strategic partnerships, each partner must have sufficient institutional capacity to carry out its agreed role in the partnership. As CSOs transition from struggle mode to developmental actor, and as CSO funding sources diminish, their sustainability increasingly depends on their ability to design and deliver to scale programs relevant to the national developmental agenda. Efforts to strengthen the CSO sector must address organizational coherence and effectiveness in the areas of CSO competitive advantage vis-a-vis this national developmental agenda. The background analyses for this program highlights a diverse list of constraints to be addressed through capacity and organizational development:

- Lack of project management capacity for budgets exceeding R5 million;
- CSOs' inability to deliver at scale even in areas of their comparative advantage;
- Weak fundraising strategies and skills;
- Weak project and strategic planning and management skills;
- Underdeveloped ability to generate, mobilize and manage local resources;
- Low capacity in resource generation, financial management, IT, documentation, and communication.

Constraints to effective partnerships also exist in government. These include:

- complex systems and an inadequate number of trained staff to invest public resources in a timely fashion;
- conflict between "old school" public officials and new public officials;
- limited coordination between the three spheres of government vis-à-vis social investment; and
- limited coordination between departments with similar objectives.

#### **a. Institutional support to the National Development Agency (NDA)**

Specific outcomes to be achieved: Key, selected NDA management systems established and functioning.

Summary activity description: The NDA was established by legislation in 1997 to provide resources to leverage CSO-government partnerships for service delivery. Its establishment is a demonstration of government's recognition of civil society as a legitimate and important partner in addressing the country's developmental agenda. A Board of Directors has been constituted and the NDA is now operational. This activity will strengthen the efforts of this new agency to become operational by providing technical assistance for establishing and strengthening key management systems.

Once the NDA has been established and the CEO has been appointed and is ready to discuss USAID's assistance, this intervention will be further developed. Illustratively, it is expected that institutional support could include the following:

- Technical assistance to define and clarify the development approach and strategy to fulfill the statutory mandates of the organization.
- Organizational development training and capacity building for internal staff of NDA to help them prepare to respond effectively to the challenges associated with starting a new organization.
- Technical assistance and training on a range of organizational systems and procedures such as financial management, grant making, monitoring and evaluation, stakeholder analysis, capacity building, data base design and implementation, and stakeholder communication.

Implementing mechanism: It is anticipated that funds for this activity will be obligated directly to the CREA contract.

Calendar of events:

Event	Timing
Define terms of reference with NDA	May 2000
Request TA of CREA	June
TA Award	September
Work commenced	September

Pending issues: In moving from this planning document to a more detailed program description for this activity, SO1 will work with NDA to further develop this activity.

**b. Partnership models for monitoring policy implementation**

Specific outcomes to be achieved: Two to three model partnerships between CSOs and South African Government Departments on monitoring and evaluating implementation of key policies, preferably related to other areas of USAID's portfolio. Through systematic dissemination of the lessons learned from these activities, the models will help inform the development of similar partnerships for monitoring policy implementation.

Summary activity description: This activity will build upon CSOs comparative advantage in grappling with the nuances and details of implementing government policies “on the ground” as well as their first-hand understanding of the impact of these policies on the end user. Such a perspective gives CSOs a unique vantage point from which to help gauge the impact of these policies; to understand the challenges involved in taking them from law to implementation; and to make recommendations for improved implementation.

This activity will both build capacity for developing and strengthening selected partnerships for monitoring policy implementation, and disseminate the lessons from these selected partnerships on a wider scale. SO1 will fund two to three partnerships as part of this activity and prefers to support areas related to USAID/South Africa programs (e.g. Criminal Justice, HIV/AIDS, and local governance). By providing support to several selected partnerships, this activity will provide concrete opportunities to observe and test the concepts and assumptions about approaches for strengthening such partnerships. Close monitoring, analysis and feedback will be built in to these partnerships. This approach will contribute to a more informed and explicit dialogue on what constitutes an effective policy implementation partnership and will assist in developing guidelines on the rules of engagement, indicator/benchmarks and best practices. Such information will be documented in a case study format and disseminated to relevant stakeholders.

Implementation mechanism: the first grant will be awarded by Creative Associates through the Grants Management and Technical Assistance Contract, through a competitive process.<sup>6</sup> The last two grant will be awarded by the RCO.

Calendar of events:

Event	Timing
1 <sup>st</sup> Grant:	
- Develop program description	FY 01
-- Receive and review applications	FY 01
-- Award cooperative grant agreement	FY 01
2 <sup>nd</sup> grant	
--Develop program description	FY 02
--Receive and review applications	FY 02
--Award cooperative grant agreement	FY 02
3 <sup>rd</sup> grant	
--Develop program description	FY 04
--Receive and review applications	FY 04
--Award cooperative grant agreement	FY 04

<sup>6</sup> Prior to finalization of this planning document, SO1 may begin this activity quickly, with a non-competitive small grant to IDASA to support its Impumelelo Awards Program, which provides monetary awards for, and then disseminates, government innovations in service delivery, including government/CSO service delivery partnerships.

**c. Strengthening the Organizational Development Infrastructure of Civil Society**

Specific outcomes to be achieved: CSOs better able to design, compete for, and deliver to scale, programs that play to their comparative advantage in community development and social facilitation, and that are part of their shared developmental agenda with government.

Summary activity description: This illustrative activity is intended to address the limitations to civil society's capacity to partner, and may include some or a combination of the following interventions:

- Strengthening the capacity of the CSO sector to strengthen itself, e.g. through capacity development for organizational development CSOs, to improve their ability to deliver state-of-the art OD services to CSOs;
- A facility to track government and donor tenders; sharing of this information with CSOs capable of providing the requested services; and assistance to CSOs to prepare bankable proposals in response to these tenders;
- Training for CSOs and CBOs to help get the basics of organizational development right, i.e. financial management, fundraising, maximizing the impact of limited resources, strategic planning, personnel management, etc. SO1 will seek to fund innovative proposals that can clearly isolate and define critical organizational success factors and then present feasible strategies for ensuring these factors are adequately addressed in capacity building programs; and
- Leadership training to ensure that CSOs continue to have a strong cadre of prepared managers who can help their organizations meet the new challenges facing the sector.

Implementation mechanism: (1) One contract to an expatriate firm to build the capacity of South African OD practitioners to deliver state-of-the-art OD services to civil society; and (2) one cooperative grant agreement competed directly by USAID to address the remaining three activities noted above.

Calendar of Events:

Event	Timing
Develop program description	1 <sup>st</sup> Quarter FY 2002
Request applications	1 <sup>st</sup> Quarter FY 2002
Award cooperative grant agreement	2 <sup>nd</sup> Quarter FY 2002
Commence program	3rd Quarter FY 2002



### **LLR 1.3.2 Access to better information increased**

Better, more well-researched information about civil society is a fundamental prerequisite to understanding civil society's role in democratic and economic development, establishing successful partnerships, creating innovation in existing practices, speeding delivery, and maximizing the impact of partnerships. SO1 anticipates funding a set of activities designed to strengthen civil society, government, donor, and public understanding of a range of issues which require more research, study, and data gathering including:

- civil society's role in democratic consolidation;
- the supply of and demand for CSO programs;
- the costs, benefits, and comparative advantages of such programs;
- the demands of the clients of such programs;
- the lessons learned and best practices generated by existing partnerships; and
- the conditions under which partnerships can effectively achieve developmental aims.

This element will help increase information sharing among CSOs and between CSOs and potential funders. In addition, the recent wave of democratic transitions worldwide has contributed to an emerging body of research on the critical determinants of democratic consolidation. There is general agreement among democracy experts that one such determinant is a healthy and vibrant civil society. The program will support such research efforts as well as the dissemination of the resulting findings, because they will increase government and civil society's understanding of partnerships in the broader context of democratic consolidation and the extent to which these partnerships contribute to consolidation.

#### **a. Support for the development and application of an index on the health of the CSO sector.**

Specific outcomes to be achieved: Create an index, that is comparable to other national civil society indices, to measure the health of South African civil society, and apply it to the South African context.

Summary activity description: There is a need to collect baseline data to help CSOs and government understand the value of the sector vis-à-vis the national development agenda. This activity will build on and apply to the South African context, international research and development in developing an index to define the health of civil societies. The index will serve as a key tool for civil society, government, and the public to assess the health of civil society, its contribution to democratic and economic development, and future prospects for its role as a meaningful actor in the RSA's development.

The index will allow for an assessment of the strengths and weaknesses of several critical aspects of civil society, including:

- Societal parameters, including civil society's relative significance vis-a-vis the economy and the state;
- Sectoral parameters, including the numbers and diversity of CSOs, the occurrence of specialized CSOs, and the extent of vertical and horizontal linkages; and
- Organizational parameters, including the practice of democratic governance within CSOs, and demonstrated institutional capacity.

Implementing mechanism: SO1 will request CREA under the GMTA, to (1) provide international expertise to develop a South African civil society index to measure the health of the sector, and (2) to partner with a local organization to apply and become the repository of the index. A limited bidding process will be conducted to locate a local firm to act as the home for this index. It should be noted that this activity will serve a major source monitoring and evaluation for the longer-term impact of this Civil Society Strengthening activity.

Calendar of events:

Event	Timing
Develop SOW	April 30, 2000
Issue RFP	June 1, 2000
Award	August 1, 2000
1 <sup>st</sup> iteration of Index developed	Dec 2000
1 <sup>st</sup> iteration of Index applied	March 2001

The organization that becomes the repository of this instrument will conduct periodic measurements in FY 2002, 2004, and 2006.

Sustainability : Sustainability of the index will be enhanced by housing this index in a local organization(s) with the appropriate technical capacity.

**b. Support for the implementation of the NPO Act.**

Specific outcomes to be achieved: (1) stronger capacity within the DoW to champion implementation of the NPO Act; (2) CSOs better informed on how to comply with the Act.

Summary activity description: The 1997 NPO Act is RSA government's unequivocal commitment to create an environment conducive to a stronger, more sustainable CSO sector. The Act reverses the control-oriented and restrictive policies which governed the CSO sector during apartheid. The Act creates new systems and procedures for CSO registration, which in turn offers the possibility of a series of potential financial benefits related to tax exemption and deductibility, fundraising, etc. A major issue facing CSOs vis-à-vis the Act is their lack of knowledge about the Act's implications for the sector and the steps they must follow to take full advantage of the possibilities offered by the Act.

The Act empowers the DoW to establish an administrative and regulatory framework for CSOs; inform CSOs of the Act; encourage CSOs to maintain adequate standards of governance,

transparency and accountability; continuously improve such standards; facilitate access to information about registered non-profits; and promote a spirit of cooperation and shared responsibility among government, donors and other interested parties in the dealings with the CSO sector.

To operationalize its legal mandate, the DoW has established an NGO Directorate which has begun a variety of initiatives in support of implementation of the Act, including: establishment of a register of Non-Profit Organizations; an information dissemination drive regarding the register; development of support tools in the form of model documents; and examples of good practice to assist CSO, specifically the CBOs, in formalizing themselves. Although the Directorate has a business plan for the implementation of all aspects of the NPO Act, limited staff will hamper the implementation of such a plan. The intent of this activity is to support the Directorate's plan for implementation of the NPO Act through the following possible interventions:

- increase the reach of the Directorate's Training of Trainers program which trains CSOs in the content of the NPO Act and the process by which these organizations can legally register to then take advantage of a range of tax and financing options;
- assist the development and implementation of the Directorate's communication strategy thereby increasing outreach and information dissemination to CSOs and increasing their understanding of the Act; and
- support production and dissemination of various materials for CSOs showing them how to comply with, register, and take advantage of benefits offered by the Act.

The priority needs and the areas for collaboration and support will be identified in further dialogue with the DoW and its NGO Directorate.

Implementing mechanism: The funds for this activity will be obligated directly to the CREA contract.

Calendar of events:

Event	Timing
Identify priority needs and areas of collaboration with the DoW's NGO directorate	April 2000
Develop SOW	May 2000
Appoint consultants	July 2000
Commence Work	September 2000

Pending issues: In moving from this planning document to a more detailed design for this activity, SO1 shall work with the Dept. of Welfare's NGO Directorate to identify priority needs and define terms of reference or program description. SO1 will ensure that the funding it makes available for these activities is in addition to and not in place of the DoW NGO Directorate's own resources.

**d. Support the establishment of an Information Service**

Specific outcome to be achieved: (1) systematic compilation and cataloging of information that is in high demand by CSOs and that facilitates partnerships; and (2) expanded and easier “one stop” access to this information through virtual and more traditional means.

Summary activity description: For partnerships to flourish, CSOs continuously require and actively seek information and knowledge on a range of subjects including: legislative framework governing the sector; funding and tender opportunities; innovations and best practices regarding partnerships; implications of new policies for the developmental work of the sector; programs of like-minded CSOs; CSO success stories; lessons and best practices on CSO management; technical developments in key social and economic development sectors; etc.

While a wealth of CSO-related information exists in the RSA, it resides in different institutions and is available in different and unrelated forms<sup>7</sup>. This lack of coordination raises the costs of accessing such information to CSOs and ultimately diminishes its usefulness. The background analysis for this program found that current information collection and dissemination strategies are inadequate and institutional frameworks are not geared to deliver the information demanded by CSOs in the form which they need it, especially basic “how to use” information skills. This activity is intended to create and house a service, within a leading organization in the sector, to compile and make available through user-friendly, readily accessible, and low cost means, existing critical information in high demand by the sector. The service should utilize computer, web-based technologies, but should also ensure that information is available in more traditional forms for CSOs that do not have Internet access.

Implementing mechanism: Cooperative grant agreement awarded by CREA. The agreement may be structured in such a way that allows the recipient to sub-contract an IT firm.

Calendar of events:

Event	Timing
Develop program description	3 <sup>rd</sup> quarter FY 2000
Issue RFA	4 <sup>th</sup> quarter FY 2000
Award cooperative grant agreement	2 <sup>nd</sup> quarter FY 2001
Commence activity	3 <sup>rd</sup> quarter FY 2001

Sustainability: Because the CSO sector will require the kind of information provided by this service on an on-going basis, it is important that this activity continues after USAID funds are fully utilized. SO1 will therefore design the program description and RFA for this activity in such a way that requests offerors to propose, as part of their applications, steps for ensuring the longer-term

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<sup>7</sup> These include the Prodder Directory, SANGONET,

sustainability of this initiative. This might include certain cost recovery measures for the information services provided.

Pending issues: In moving from this planning document to a more detailed program description for this activity, SO1 shall seek a more precise understanding of the kind of information demanded by CSOs; the form the information service will take; and the value to be added given all other existing initiatives.

#### **d. Support a Civil Society Research Network**

Specific outcomes to be achieved: (1) strengthened institutional capacity of the sector to define, finance, and carry out critical research about the sector; (2) critical research and analyses of the CSO sector as it relates to strategic partnerships and the role of civil society in democratic consolidation and economic development; (3) wide and effective dissemination of the findings to stakeholders.

Summary activity description: This activity will strengthen the CSO sector's ability to research, document, and disseminate information about the core ingredients of successful, mature partnerships and civil society's role in economic and democratic development. Program funds will be used to support initiatives to better integrate the currently fragmented set of research activities and organizations in the CSO sector, and work toward a more coordinated and synergistic approach to developing, carrying out, and disseminating a sector-wide research agenda for critical research and analysis activities. It is anticipated that this activity will strengthen the sector's ability to document partnership lessons, best practices, and experiences and to feed these into policy development, service delivery, and the sector's understanding of its role in national development. The research and development activities will address specific themes identified by a cooperative agreement recipient in collaboration with USAID and stakeholders.

Implementing mechanism: USAID RCO will award a cooperative grant agreement, through a competitive process, to support the research initiatives of NGOs, CBOs, parastatals, and/or universities. This cooperative grant agreement might support the research of a consortium of like-minded organizations.

#### Calendar of events:

Event	Timing
Develop program description/RFA	Mid FY 2001
Issue RFA	Mid FY 2001
Award Cooperative Grant Agreement	Late FY 2001
Commence Activity	Late FY 2001

Sustainability: Because the CSO sector's research and development capacity beyond the completion of USAID assistance is a priority of this activity, SO1 will design the program description in a way

that leads to better institutional capacity and systems for sustained research within the sector. To leverage better sustainability planning upfront, the RFA for this activity will request offerors to propose, as part of their applications, steps for ensuring the longer-term sustainability of this initiative. Additionally, it is anticipated that the initial funds provided by USAID will provide leverage for other donors to contribute to this activity.

Pending issues: In moving from this planning document to a more detailed program description for this activity, SO1 shall decide who will select research topics. One option includes USAID retaining through substantial involvement, the right to approve or concur with research topics identified by the recipient, especially to avoid potentially “politically sensitive” themes.

### **LLR1.3.3      Enabling environment for partnerships enhanced.**

In addition to requiring strong institutional capacity of potential partners, and mutual understanding of the needs, interests and strengths of the respective partners, more successful partnerships require a policy and procedural environment in which such partnerships can be conceived and flourish.

Both the state and civil society generally agree on the comparative advantages offered by civil society in partnering with the state to address critical social welfare and related issues, and both agree on the need for an enabling environment that strengthens this comparative advantage, subject to certain regulation. There is currently a constructive dialogue between the sector and the government on the strengthening of an enabling environment conducive to civil society development for addressing social needs. Several policy initiatives are currently underway that hold great promise. The most significant of these is a possible amendment to the Income Tax Act to broaden tax deductibility and exemption to certain civil society organizations, thereby strengthening their financial health. (The other major initiative, implementation of the NPO Act, is discussed as part of LLR 1.3.2 above).

The Budget and Finance Portfolio Committee is currently considering amendments to the Income tax Act as proposed in the Dept of Finance’s Budget Review 2000. These amendments would:

- Broaden the universe of CSOs to receive tax exempt status (currently limited to CSOs working in the field of higher education; pre-primary and primary schools; children’s homes; and those caring for the aged and those focused on HIV/AIDS care);
- Extend the tax deductibility of donations to a broader range of entities; and
- Increase the limit applied to the deductibility of donations by individuals to eligible CSOs.

For several years, the Non Profit Partnership (NPP) has represented the CSO sector in negotiating these issues with government. The NPP has made formal inputs on proposed legislation and amendments to the portfolio committee. This dialogue will continue until enactment or amendment of current legislation. Some of the key policy issues which still require a final decision and over which the government and CSOs continue to negotiate include: the definition of eligibility; criteria for eligibility; and administrative systems for monitoring compliance with legislation.

### **a. Support for tax Policy Dialogue**

Specific outcome to be achieved: (1) well researched policy inputs on Income Tax Act developed and presented to government; (2) a communications strategy to inform the sector of the implications of the new legislation for the sector and how to access benefits.

Summary activity description: In collaboration with government and CSOs, SO1 will define appropriate technical assistance to facilitate this policy dialogue as well as communication about the implications of the legislation for the sector. Preliminary discussions with CSOs and government suggest the following kinds of assistance may be useful:

- international expertise in tax legislation to assist the NPP to draft solid technical inputs to the legislative development process;
- local tax specialist to provide the ongoing research required by CSOs to remain an equal and strong partner in the policy dialogue;
- technical assistance to design and deliver a campaign to inform CSOs on any legislative provisions vis-à-vis tax breaks to CSOs;
- technical assistance to help develop the criteria and list of eligible CSO activities; and
- support for the design of a system within the appropriate government department to implement an administrative system for the tax benefits.

Implementing mechanism: (1) A small grant, awarded by CREA, through an exception to competition, to the NPP, to support its policy research and information efforts; (2) an IQCs or task order to CREA to bring in an international tax expert to assist in developing eligibility list and criteria and in developing technical inputs to legislative development process.

#### Calendar of events:

Events	Timing
NPP, USAID, and CREA agree on a program description for a small grant	04/00
Small grant awarded	06/00
USAID, NPP, and Government define SOW for international tax expertise	04/00
Task Order developed	05/00
Contract awarded	06/00
Work commenced	07/00

Sustainability: If a stronger legislative environment for CSO tax benefits is established, it will lead directly to an increase in resources mobilized for the sector; and contribute to the sustainability of certain CSOs.

Pending issues: Given the advocacy element in this work, this is potentially a very politically sensitive area. However, government/CSO dialogue to date on this issue has been constructive and cordial. SO1 should limit its support to facilitating the dialogue in technical ways, in areas that are acceptable to government and CSOs.

#### **b. Technical Assistance to Government**

Specific results to be achieved: (1) Priority program concerns are addressed.

Summary activity description: USAID resources will be used to contract specialized short-term technical assistance to address priority issues identified by the RSA and USAID relevant to the development result.

Implementing organization and mechanism: Once the Government and USAID have identified a priority issue requiring short-term technical assistance, USAID will proceed to procure the technical assistance service, using CREA.

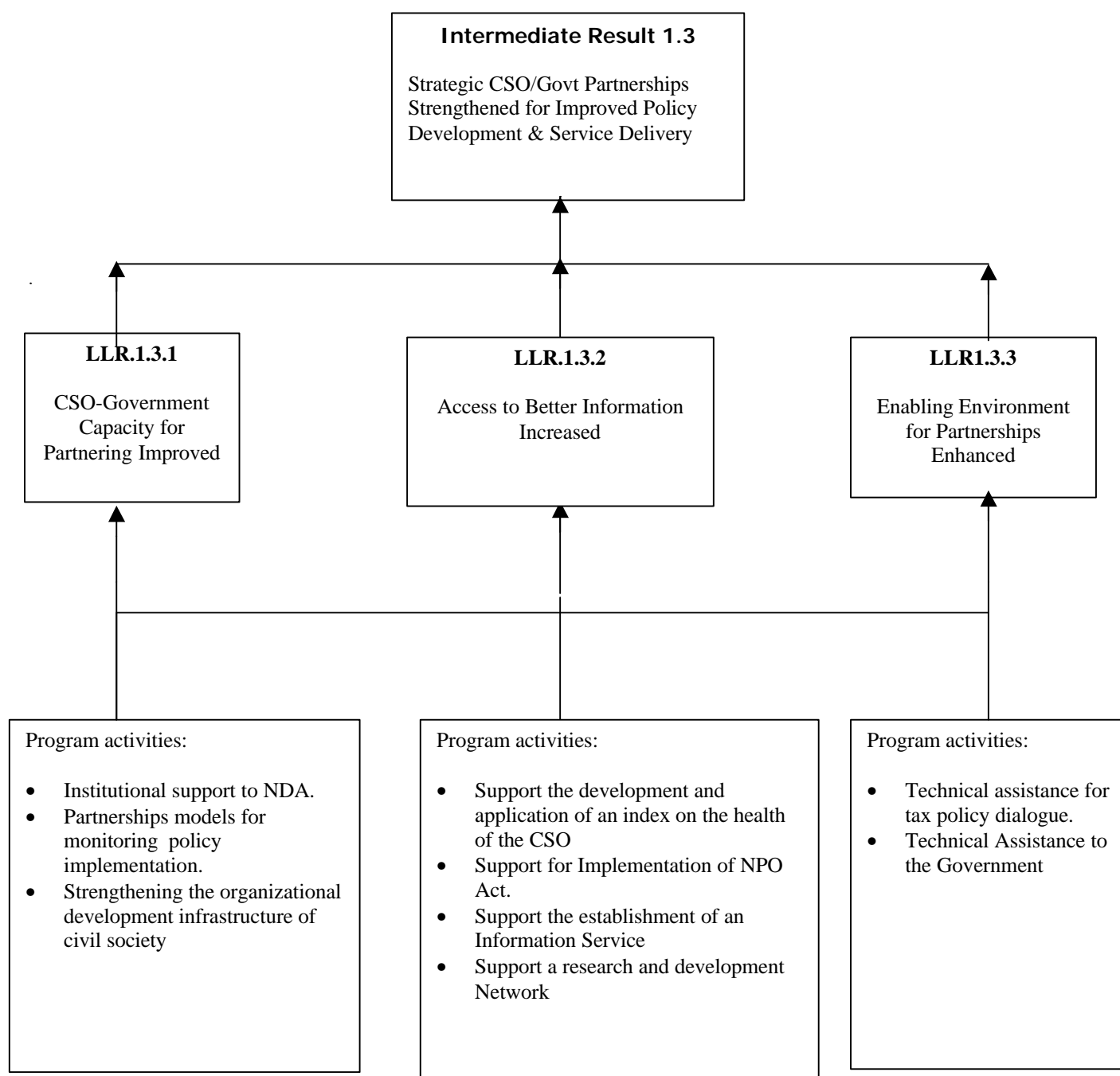
Calendar of events:

Event	Timing
Resources will be available for short-term technical assistance	FY01
Activity ends	FY04

The following is a summary of the intermediate result, lower-level results, and activities.



**TABLE 1 - FRAMEWORK CIVIL SOCIETY STRENGTHENING PROGRAM (CSSP)**



## **VI. IMPLEMENTATION ARRANGEMENTS**

### **A. Program Agreement**

USAID anticipates documenting mutual concurrence to undertake this program through a formal Memorandum of Understanding (MOU) between the government of the Republic of South Africa and the Government of the United States. This agreement will establish the framework for assistance USAID will provide through this program. No funds will be obligated through this MOU. Funds obligation will occur unilaterally, through USAID-funded grants and contracts. Over the first three years of the program, it is anticipated that most funds will be obligated to the Grants Management and Technical Assistance contract with Creative Associates International (CREA, see Section VI.2.2 below).

### **B. Program Management**

The management and implementation of this program represents a significant shift from past modalities employed by SO1. In the past SO1 took charge of (1) overall program planning, budgeting, reporting and management, (2) activity design, solicitation, award, and award administration; and (3) technical oversight of activity implementation. With this program and through the end of the CREA contract, SO1 will retain overall program planning, reporting, and management functions but will outsource much of the activity design, solicitation, award, administration, and technical oversight work to Creative Associates (CREA) through its Grants Management and Technical Assistance contract with USAID. Additionally, SO1 will request that CREA carry out the technical design and oversight of activities through a project implementation agent (PIA).

At this stage in the planning process for this program and SO1's local governance and rule of law programs, it appears that the amount of funding currently available in the CREA contract for technical assistance is significantly below that required by all three programs. Based on planned technical assistance activities, and associated costs and expenditure rates, it appears that the technical assistance funds in the GMTA contract will be fully utilized one year before the September 2002 end date of the contract. Furthermore, the overall expenditure rate for the GMTA contract, including technical assistance, grants, and indirect costs, is below the rates planned at the time the contract was signed. For this reason, SO1 anticipates that within the next 12 to 18 months, it will request a budget modification to shift funds from grants to technical assistance, and for an additional 12-24 month, no-cost extension to the contract end date.

Because of the reliance on CREA and the PIA contracted through CREA, a critical issue for SO1 is how to continue program implementation beyond the expected life of the GMTA contract. At this point in the planning process, SO1 anticipates that it will request an extension to the GMTA contract through at least FY 2003. This will allow SO1 to begin and carry out the first phase of the project through year four of this eight year effort. Within 12 to 18 months of the end date of the GMTA

contract, SO1 will assess the progress of the program and define an implementation mechanism for the second, post-CREA phase of the program. Based on this assessment, SO1 will define a new set of implementation arrangements for the second phase of the program. This decision will be driven, inter alia, by the nature of the work required to bring the program to a successful conclusion in its final four years; funds available for the final four years; the number of management units funded under the program for the final four years; and Africa Bureau and Mission policy regarding internal staff levels.

A brief description of the program management and implementation roles of USAID, CREA and the PIA follow.

## **1. SO1 and the Civil Society Unit**

The Civil Society Unit of USAID's Democracy and Governance Team will be responsible for overall management of this program. The CSU is led by a senior Foreign Service National (FSN) reporting to the Democracy and Governance Team Leader, and includes one full-time FSN Activity Manager and a Democracy Fellow. The primary responsibilities of the CSU include: developing and implementing annual program work plans; developing and tracking annual program budgets; drafting the paperwork required to obligate funds; providing technical direction to Creative Associates, the Project Implementation Agent, and any contractors or recipients with direct acquisition or assistance relationships with the Mission; monitoring overall program performance; and reporting program performance and issues to the Team Leader and Mission management.

The CSU will carry out inherently governmental functions in the management of this program, including:

- (i) identifying activities to be funded by the Government, and documenting these for approval by the Team Leader as required;
- (ii) approving program descriptions, scopes of work, and any contractual documents defining requirements, incentive plans, and evaluation criteria;
- (iii) participating as a voting member on technical evaluation committees for the award of grants and contracts by either the USAID Regional Contracts Officer or Creative Associates;
- (iv) ordering changes in contractor performance or quantities; taking actions based on contractor performance; and accepting or rejecting contractor products or services;
- (v) terminating contracts; and
- (vi) determining whether contract costs are reasonable, allocable and allowable.

## **2. Creative Associates**

For the first three to four years of the program, SO1 plans to request Creative Associates International (CREA), through its existing Grants Management and Technical Assistance (GMTA) contract with USAID, to award most grants and contracts for program activities. One of the main reasons the

GMTA contract was awarded was to allow SO1 more flexibility in supporting civil society through grants and technical assistance, and is therefore the most appropriate mechanism for program start-up. CREA's responsibilities will include:

- Preparation, announcement and distribution of RFAs/Ps, and receipt of applications and proposals;
- Convening and chairing technical evaluation committees to review applications/proposals;
- Negotiation and award of contracts and grants;
- Administering and closing out contracts and grants.

The advantages of using the CREA GMTA contract are that: it is already in place and was awarded through a competitive process; it allows for fast program start-up; and CREA has strong institutional capacity and past performance in effectively implementing US and local tendering regulations and procedures for achievement of development programs.

### **3. Project Implementation Agent**

Successful implementation of this program requires support for a package of overarching sector strengthening activities like those described herein. The challenge of managing and integrating such a package in a sector as diverse and heterogeneous as South Africa's civil society requires strong technical leadership; ongoing building and maintenance of collaborative working relations with sector leaders; and the design and systematic use of performance monitoring tools that help management understand the impact of the package of activities making up the program. SO1 will request CREA, through the life of the GMTA contract, to establish a Project Implementation Agent (PIA) to meet this challenge.

The PIA will work under the direction of the CSU and CREA, and will be responsible for:

- designing the technical specifications for program activities; drafting corresponding scopes of work and program descriptions; and participating on technical evaluation committees for the award of contracts and grants;
- providing technical guidance to contractors and recipients, to ensure the technical integrity and usefulness of these activities;
- troubleshooting implementation problems;
- developing the terms of reference for a Program Reference Group of civil society leaders, and assisting SO1 to periodically engage with the PRG and other key stakeholders to ensure that this program has the intellectual capital, sector ownership, critical analysis, and ongoing feedback required for success;
- developing simple and cost effective program monitoring tools, and using these for ongoing program monitoring, across the range of program activities, to test causality between activities and results, and to assess program impact; and
- drawing on these PME tools to compile periodic implementation reports for use by SO1 and stakeholders, and for informing the Mission's annual R4 report to AIDW.

Much of the PIA's work in developing scopes of work and program descriptions for program activities will be closely related to the acquisition and assistance work of CREA under the GMTA contract. In most cases, the SOWs and PDs developed by the PIA will be taken by CREA and used for Requests for Applications and Proposals issued by it. Therefore, to build in a close working relationship between the PIA and CREA upfront, USAID will request that CREA appoint and fund the PIA from the technical assistance line item of the GMTA contract.

While the PIA is costly, at about 13% of the life of project funding, SO1 feels it is a worthy investment insofar as it will provide strong technical leadership; lead to cohesion of a program that could become disparate by nature; build the critical relationships required for program success; and provide USAID with an able intellectual partner in a field which is extremely new and challenging.

### **C. Program Reference Group**

SO1 will seek to establish a Program Reference Group (PRG) to ensure program integrity and to provide a strong intellectual partner required for successful program design and implementation. Given the complexity of the concept and the diverse nature of the sector, and to facilitate informed decision making on the establishment of the PRG, SO1 looked at similar examples from other countries and engaged partners in addressing the following questions through interviews and feedback from the CSSP concept paper review process:

- What are the potential limitations and disadvantages of establishing this structure;
- How should the group be constituted?
- What should be the profiles of its members?
- How can issue of procurement integrity be resolved?
- Should group members be remunerated for the participation or asked to serve in voluntary capacity

Based on the information gathered from this exercise, SO1 anticipates inviting selected civil society leaders (in their personal capacities) to participate in the PRG and to periodically engage with SO1 on the direction of the program. The general purpose of the PRG will be to serve as an independent USAID partner, providing the intellectual capital required for successful program design and implementation. The PRG will provide USAID with expert feedback through a structured and ongoing dialogue regarding program planning, implementation, monitoring and evaluation of the program.

The PRG's responsibilities will include providing feedback and input on all aspects of the CSSP implementation plan (excluding the budget); providing intellectual guidance for the refinement of activity design; providing advice to inform the selection of implementation mechanisms by the CSU; and providing guidance in the development of the monitoring and evaluation plan. The PRG will not have financial and legal responsibility as decision-making authority will rest with USAID. USAID will provide a small amount of financing for the management of the PRG to reimburse members for travel and accommodation costs. This will form part of the financial plan for the CSSP.

One of the first responsibilities of the PIA will be to assist SO1 in establishing and convoking the PRG, by drafting a terms of reference, inviting selected CSO leaders to participate, securing their written agreement to the TOR, and convoking a first meeting.

## D. Program Procurement Plan

**Table 2 – Procurement Plan for Program Start Up**

Activity/Element	Acquisition/ Assistance	Competition*	Estimated Start Date	Authorized Agent
(1) Institutional Support to the NDA	AC	Limited	6/2000	CREA
(2) Partnership models for monitoring policy implementation	AS	Limited to SA orgs	7/2001	CREA/ RCO <sup>8</sup>
(3) Strengthening the Organization Development Infrastructure of Civil Society	AC and AS	Limited to SA Orgs.	11/2001	RCO
(4) Support the development and application of an index on the health of civil society	AC and AS	Int'l expert & grant limited to SA Orgs.	8/2000	CREA
(5) Support a research and development fund and network	AS	Limited to SA Orgs	3/2001	RCO
(6) Support for the implementation of the NPO Act	AC	Limited	7/2000	CREA
(7) Support the establishment of information service for CSO/Government Partnerships	AS	Limited to SA orgs	3/2001	CREA
(8) Support for Tax Policy Dialogue	AS	Non-comp Small Grant	4/2000	CREA
(9) Support other Policy Dialogue	AC	Limited	TBD	CREA
(10) PIA		Limited	6/2000	CREA
(11) Personnel, M&E and Audit				

\*Limited competition for acquisition normally refers to purchase orders for technical assistance.

### Summary of Proposed Contracting/Grant making entities (\$000)

USAID through RCO to CSOs

USAID through CREA to CSOs

USAID through CREA to RSA

Other (PIA, PRG, M&E, Audit, Personnel)

**TOTAL**

**\$9,097**

<sup>8</sup> The first Partnership Models grant will be awarded by CREA and the last two will be awarded by RCO.

#### 4. Consolidated Implementation Time Line

In selecting and sequencing the illustrative activities described below, SO1 and the consultant team assessed their respective costs versus benefit and relative potential impact on the health of the sector; the extent to which they were considered a priority by the CSOs consulted; their level of readiness for start-up, and the amount of additional work required to define and scope the activities. Additionally, a major consideration driving sequencing of activities was funds availability.

**Table 3 – Implementation Timeline**

RESULT/ACTIVITY	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07
<b>LLR1.3.1: CSO-Government Capacity Partnerships Improved</b>								
(a) Institutional Support to the NDA	◆	→						
(b) Partnership models for monitoring policy Implementation		◆	→					
			◆	→				
				◆	→			
(c) Strengthening the Organization Development Infrastructure of Civil Society			◆	→				
<b>LLR1.3.2: Access to Better Information Increased</b>								
(a) Support the development and application of an Index on the Health of the CSO	◆	→						
(b) Support for the Implementation of the NPO Act	◆	→						
(c) Support the establishment of Information Service		◆	→					
(d) Support a Research & Development Network		◆	→					
<b>LLR1.3.3: Enabling Environment for Partnershing Enhanced</b>								
(a) Support for Tax Policy Dialogue	◆	→						
(b) TA to Government		◆	→					
<b>CROSSCUTTING EXPENSES</b>								
PIA and PRG	◆	→						
M & E, Personnel and Audit	◆	→						
<b>TOTAL WORKLOAD/MANAGEMENT UNITS PER YEAR</b>	<b>5</b>	<b>8</b>	<b>8</b>	<b>7</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>3</b>



## **VII. SUMMARY BUDGET:**

### **A. USAID Resources for the Program**

USAID expects to provide up to approximately \$9,097,000 over the eight-year life of this program for achievement of the results described above.

It is anticipated that the program will be fully obligated within the next five to six years.

### **B. Counterpart Contribution**

As it is anticipated that all USG funds in support of this program will be obligated unilaterally by USAID, the Mission and Creative Associates will seek, as a matter of Agency policy, the recommended 25% counterpart contribution from recipients of grants funded under the program, and from government departments benefiting from technical assistance under the program.

## **VIII. PERFORMANCE MONITORING**

The Project Implementation Agent will assist USAID and the Program Reference Group to establish and use a simple performance monitoring system for this program. The system will include indicators and provide critical management information that measure impact of and causality between program activities, outputs, and results described in the attached Results Framework. The system will inform USAID management and the Program Reference Group about program impact, whether the program is on track, or whether there is a need for any adjustments to program implementation.

Given the challenges in quantifying a healthy and robust civil society and mature government-civil society partnerships, USAID anticipates employing a variety of measurement tools in establishing the performance monitoring system. These might include: an appropriate mix of quantitative and qualitative indicators; an index on the health of civil society (like that being developed by the international NGO CIVICUS Alliance for Citizen Participation); an annual “state of the sector” report produced by a panel of South African civil society experts; and other relevant measurement tools. USAID anticipates working with the Project Reference Group to establish this system, and expects to have a first draft of the system by September 2000.

At the activity level of the Results Framework, indicators will be identified and agreed to in USAID-funded contracts and grants. At this lower level of the Framework, indicators will generally measure inputs and outputs more directly attributable to USAID funding, and the extent to which these contribute to: strengthened CSO and government capacity for partnering; increased access to better information; and an enhanced enabling environment for partnerships. At the intermediate result level, indicators and similar tools will measure USAID’s contribution to the strengthening of strategic CSO-government partnerships for improved policy development and service delivery.

At the strategic objective level, the performance monitoring system will include tools that measure, with less frequency than other levels of the Results Framework, features of a healthy/robust civil

society. USAID's assessment of these features to date suggest that they include, but are not limited to:

- capacity: the capacity of CSOs to engage government, form partnerships, and to operate independently financially and programmatically;
- sustainability: the ability of CSOs to sustain and leverage financial support from communities, government and private sector and from their own services;
- independence: the degree of independence or autonomy of CSOs as they interact with government and private sector;
- diversity: the level of diversity of the sector as it relates to gender, race, political affiliation, religion, culture, ethnic origins, issues, etc.
- legal/policy/regulatory environment: knowledge and ability to engage government regarding policy development and implementation;
- citizen engagement/participation: ability of CSOs to mobilize community participation for service delivery and policy formulation;
- membership: the degree of partnership formation between government, private sector and community organizations; and
- impact: the degree to which CSO-government partnerships are having measurable, positive impact on the problems they were intended to address.

Two points regarding program performance measurement are noteworthy. First, measuring a healthy/robust civil society and the manner, which improved CSO-government partnerships contribute to it, will be challenging. Civil society strengthening is a new field and little research has been done regarding how to support and measure a sector, which, by its very nature, is diverse and amorphous. Second, the attribution of this USAID-funded program on the higher level intermediate results and strategic objective will likely be tenuous. USAID is suggesting that this program, only in combination with the broader efforts of government, civil society, and private sector, will contribute to better government-CSO partnerships and an increasingly healthy civil society.